



## Legislative Fiscal Bureau

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May 15, 2019

TO: Representative John Nygren, Assembly Chair  
Senator Alberta Darling, Senate Chair  
Joint Committee on Finance

FROM: Bob Lang, Director

SUBJECT: Transportation Fund Revenues

In odd-numbered years, during deliberations on the upcoming biennial budget, this office prepares an update of transportation fund revenue and expenditure projections for the Joint Committee on Finance.

In compiling the 2019-21 budget, the administration estimated that current law net transportation fund revenues, after transportation revenue bond debt service, would total \$1,781.9 million in 2018-19, \$1,829.0 million in 2019-20, and \$1,822.1 million in 2020-21. Using the estimate for 2018-19, DOA indicated a 2019-21 biennium opening balance of \$87.1 million in the transportation fund. The estimates reflect current law and do not incorporate any changes recommended by the Governor in the 2019-21 biennial budget bill (2019 AB56/SB59).

Based on this office's review of motor vehicle fuel tax collections to date for 2018-19, and the economic forecast for fuel consumption for the two years of the 2019-21 biennium, net transportation revenues under current law are expected to be higher by \$10.0 million in 2018-19, \$7.9 million in 2019-20, and \$4.7 million in 2020-21. These additional revenues are entirely attributable to higher projected motor vehicle fuel tax collections in 2018-19 compared to the administration's estimate. Under the administration's estimate, fuel consumption and revenues were projected to increase by 0.4% annually from the 2017-18 level (\$1,059.4 million) in each of the three forecast years. Under this reestimate, fuel tax collections are projected to increase by 1.3% in 2018-19 from 2017-18 actuals, and the transportation fund is now projected to have a 2019-21 biennium-opening balance of \$97.1 million. Motor vehicle fuel tax collections are then projected to grow by 0.2% 2019-20, and 0.1% in 2020-21.

This office will continue to monitor transportation fund revenues and expenditures and new economic forecasts, and notify you and your colleagues of any further adjustments that may be necessary.

BL/lb

cc: Members, Joint Committee on Finance